



**CWDS**  
Child Welfare Digital Services

---

# **Child Welfare Digital Services Project**

## Cost Management Plan

July 2018

## Revision History

<b>Revision / Version #</b>	<b>Date of Release</b>	<b>Author</b>	<b>Summary of Changes</b>
V 1.0	4/22/14	Z. Nolan	Original Document
V 2.0	1/04/17	T. Yu	Align to Agile
V 2.1	07/11/18	K. Borini	Incorporated the Executive Summary from the WIKI Cost Management Plan

# Table of Contents

<b>1. EXECUTIVE SUMMARY .....</b>	<b>0</b>
<b>2. INTRODUCTION .....</b>	<b>0</b>
2.1. PURPOSE.....	0
2.2. COST MANAGEMENT PLAN SCOPE .....	1
2.3. DOCUMENT DEVELOPMENT AND MAINTENANCE.....	2
<b>3. ORGANIZATIONAL STRUCTURE.....</b>	<b>3</b>
3.1. KEY STAKEHOLDERS .....	3
3.2. ROLES AND RESPONSIBILITIES .....	4
3.2.1. <i>Project Sponsor/ELT</i> .....	4
3.2.2. <i>Project Fiscal Unit</i> .....	4
3.2.3. <i>OSI Centralized Budget Unit</i> .....	5
3.2.4. <i>Project Oversight</i> .....	5
3.2.5. <i>Department of Finance</i> .....	6
3.2.6. <i>Administration on Children, Youth and Families (ACYF)</i> .....	6
3.2.7. <i>Legislature</i> .....	6
3.2.8. <i>Counties</i> .....	6
<b>4. COST MANAGEMENT APPROACH.....</b>	<b>7</b>
4.1. PLAN COST MANAGEMENT .....	7
4.2. ESTIMATE COSTS .....	7
4.2.1. <i>Project Estimation Techniques</i> .....	7
4.2.2. <i>Human Resource Planning</i> .....	8
4.2.3. <i>Other Resource Planning</i> .....	8
4.2.4. <i>Control Agency Documents</i> .....	9
4.3. DETERMINE BUDGET.....	9
4.3.1. <i>Establishing Cost Baselines</i> .....	9
4.3.2. <i>Funding Approval Documents</i> .....	10
4.3.3. <i>Project Funding Document Development</i> .....	11
4.3.4. <i>Budget Hearings</i> .....	11
4.3.5. <i>Budget Drills</i> .....	12
4.4. Control Costs.....	12
4.4.1. <i>Expenditure Tracking and Reporting</i> .....	12

4.4.2.	<i>Cost Variances</i> .....	13
4.4.3.	<i>Project Acquisitions</i> .....	14
4.4.4.	<i>Consultant Costs</i> .....	14
4.4.5.	<i>County Costs</i> .....	14
4.4.6.	<i>Annual Cost Closeout</i> .....	15
4.4.7.	<i>Project Cost Closeout</i> .....	15
4.4.8.	<i>Budget Risk/Issue</i> .....	15
<b>5.</b>	<b>MONITORING, CONTROL AND MEASURES</b> .....	<b>16</b>
5.1.	<i>Success Criteria/Measures</i> .....	16
5.2.	<i>Reporting</i> .....	17
5.3.	<i>Assumptions</i> .....	17
5.4.	<i>Constraints</i> .....	17

## List of Tables

TABLE 2-1	STAKEHOLDER MATRIX.....	3
TABLE 3-1	FUNDING DOCUMENT THRESHOLDS .....	10
TABLE 4-1	SUCCESS CRITERIA/MEASURES.....	16

This page was intentionally left blank

# 1. EXECUTIVE SUMMARY

The purpose of this Cost Management Plan is to document the processes and guidelines for ensuring the project is completed within budget and adheres to all applicable State and federal regulations pertaining to cost management. This plan has the following objectives:

- Define the roles and responsibilities of project stakeholders involved in the cost management process.
- Define the cost management approach.
- Define cost management success criteria and measurements.

The Project's cost management approach consists of the following processes:

1. **Plan Cost Management** – This process establishes the policies, procedures and documentation for planning, managing, expending, and controlling project costs. The development of this plan will assist with this effort.
2. **Estimate Costs** – This process estimates the project costs of the CWS-NS solution and involves developing an approximation of the monetary resources needed to complete all project activities.
3. **Determine Budget** – This process develops the project budget with the estimated costs of the CWS-NS effort and involves aggregating estimated costs from project control documents and developing the project baseline budget via the State and federal budgeting process.
4. **Control Costs** - The last step is to control project costs to ensure there are no cost overages.

## 2. INTRODUCTION

### 2.1. Purpose

The purpose of this Cost Management Plan (hereafter called the “plan”) is to document the processes and guidelines for ensuring the Child Welfare Digital Services (CWDS), Child Welfare Services - New System (CWS-NS) Project (hereafter called the “Project”) is completed within budget and adheres to all applicable State and federal regulations pertaining to cost management.

This plan has the following objectives:

- Define the roles and responsibilities of project stakeholders involved in the cost management process.
- Define the cost management approach.
- Define cost management success criteria and measurements.

In conformance with the Project Management Body of Knowledge (PMBOK), the Project's cost management approach consists of the following processes: (1) Plan Cost Management, (2) Estimating Costs, (3) Determining Budget, and (4) Controlling Costs.

### **Plan Cost Management**

This first step in the cost management process is to establish the policies, procedures and documentation for planning, managing, expending, and controlling project costs. The development of this plan will assist with this effort.

### **Estimate Costs**

This second step is to estimate the project costs of the CWS-NS solution. This process involves developing an approximation of the monetary resources needed to complete all project activities.

### **Determine Budget**

The third step is to develop the project budget with the estimated costs of the CWS-NS effort. This process involves aggregating estimated costs from project control documents and developing the project baseline budget via the State and federal budgeting process. This process establishes a baseline budget against which project performance can be monitored and controlled.

### **Control Costs**

The last step is to control project costs to ensure there are no cost overages. This process will provide the means to recognize cost management variance from this plan and take corrective action when necessary to minimize risk.

Adhering to these core processes will help ensure that the Project is completed within the cost parameters identified in the Project's latest approval documents.

## **2.2. Cost Management Plan Scope**

The scope of this plan covers the policies, procedures and documentation for planning, developing, managing, tracking, and expending project costs.

## **2.3. Document Development and Maintenance**

This plan will be reviewed and updated on a quarterly basis or whenever deemed necessary.

## **2.4. Transition to Agile**

In November 2015, the CWDS pivoted from a traditional waterfall to an agile methodology. However, due to the State and federal regulations governing cost management remaining unchanged, the main components of this Plan remain largely intact.

### 3. ORGANIZATIONAL STRUCTURE

The Project organization is an integrated team consisting of staff from the Office of Systems Integration (OSI), the California Department of Social Services (CDSS), counties, consultants, and other stakeholders. The OSI project management provides assistance to ensure State and federal requirements are met and the Project is completed according to scope, schedule and budget. The Project is sponsored by CDSS who retains ultimate ownership and responsibility of the Project. Material changes to scope, schedule or budget must be reviewed and approved by the Project Sponsor prior to initiation.

The Project is supported by both OSI and CDSS centralized services (Human Resources for hiring staff, fiscal for all budgetary concerns, Information Security Officer for security concerns, Acquisition Contracting Services Division (ACSD) for acquisitions, Information Technology Office of IT support, executive management for project direction, etc.) and consultant services.

Sections 2.1 and 2.2 discuss the CWS-NS Project key stakeholders and their roles and responsibilities respectively.

#### 3.1. Key Stakeholders

Table 3-1 Stakeholder Matrix

STAKEHOLDER OR STAKEHOLDER GROUP	ORGANIZATIONAL ENTITY	ROLE
Project Sponsor/ Executive Leadership Team (ELT)	OSI/CDSS/Child Welfare Directors Association (CWDA)	<ul style="list-style-type: none"> <li>• Initiates change proposals</li> <li>• Initiates control agency documents</li> </ul>
Project Fiscal Unit	OSI/CDSS Project Fiscal Unit(s)	<ul style="list-style-type: none"> <li>• Develops change proposals</li> <li>• Develops control agency documents</li> </ul>
Centralized Budget Unit	OSI/CDSS Centralized Fiscal Unit(s)	<ul style="list-style-type: none"> <li>• Acts as liaison between project and control agency on budgetary issues</li> <li>• Assists project in development of change proposals</li> </ul>
Project Oversight	California Department of Technology (CDT)/Independent Verification and Validation (IV&V) vendor	<ul style="list-style-type: none"> <li>• Approves state control agency documents</li> <li>• Provides independent assessment of project health including cost management</li> </ul>
Department of Finance (DOF)	Health and Human Services Unit	<ul style="list-style-type: none"> <li>• Recommends approval or denial for change proposals</li> </ul>
Legislature	Senate and House governance bodies	<ul style="list-style-type: none"> <li>• Approves project funding for inclusion into the Budget Act</li> </ul>

Administration for Children and Families (ACF)	Administration on Children, Youth and Families (ACYF)	<ul style="list-style-type: none"> <li>Approves Federal Financial Participation (FFP) for project activities via the Advance Planning Document (APD) process</li> </ul>
Counties	Child Welfare Services (CWS)	<ul style="list-style-type: none"> <li>Claims county costs in accordance with the approach identified in this plan</li> </ul>

## 3.2. Roles and Responsibilities

This section describes the roles and responsibilities of the Project staff with regard to the cost management process. The following are the primary participants in the cost management processes. In some cases, one individual may perform multiple roles in the process or multiple individuals may perform one role.

### 3.2.1. Project Sponsor/ELT

- Approves State funding document requests for release to DOF.
- Approves federal funding documents for release to ACYF.
- Represents CWDS at Legislative budget hearings.  
Resolves budget or funding issues.

### 3.2.2. Project Fiscal Unit

- Identifies funding needs, such as new contractors, staff, or equipment.
- Ensures appropriate progress at an acceptable level of quality is being made for the funds being expended.
- Recommends escalation of cost related issues to the appropriate governance bodies.
- Resolves any routine contract issues relating to payment or contract encumbrances.
- Determines when to submit a formal project issue to the Risk Management Committee with respect to any contract cost problems.
- Leads development of State funding documents.
- Leads development of State control agency approval documents.
- Leads development of federal funding and approval documents.
- Documents and tracks actual expenditures in cost spreadsheets.
- Reconciles project expenditures in accordance with State processes and policies.

- Tracks and reconciles project budget in accordance with State processes and policies.
- Reviews and validates Financial Information Systems of California (FI\$Cal) reports match records of expenditure approvals.
- Works with the OSI Accounting Office to resolve any FI\$Cal discrepancies.

### **3.2.3. OSI Centralized Budget Unit**

The OSI Centralized Budget Unit has the following responsibilities within the cost management process:

- Provides guidance in the development of State funding documents.
- Coordinates the review and submission of State funding documents to the appropriate State control agencies.
- Coordinates the executive management review of federal funding and approval documents.
- Acts as liaison to the DOF concerning all budgetary items.
- Coordinates responses to questions from control agencies.
- Assists with distribution of the final Governor's Budget.
- Coordinates the accounting, customer billing and invoice approval processes, travel advances and travel claims, and the encumbrance of funds.
- Receives FI\$Cal reports and forwards to the Project.

### **3.2.4. Project Oversight**

The Project Oversight has the following responsibilities within the cost management process:

- Provides oversight of the project cost management activities and reports to the Project sponsor.
- Submits an Independent Project Oversight Report (IPOR) monthly that includes a summary of the Project's current budget status and provides an assessment of whether the Project is projected to be within budget based on the metrics defined in the IPOR.
- Approves or denies project approval documents.
- Identifies risks to the budget.
- Validates the Project is adhering to this plan.

### **3.2.5. Department of Finance**

- Approves State funding requests for inclusion in Governor and May review budgets.
- Provides Legislature recommendation on change proposals.

### **3.2.6. Administration on Children, Youth and Families (ACYF)**

The ACYF has the following responsibilities within the cost management process:

- Reviews and approves federal funding and approval documents.

### **3.2.7. Legislature**

The DOF has the following responsibilities within the cost management process:

Approves project budget for inclusion in Budget Act.

### **3.2.8. Counties**

Responsible for submitting requests for reimbursement of staff time for participation in application and organizational change management (OCM) training, travel expenditures and other allowable costs.

## 4. COST MANAGEMENT APPROACH

The cost management approach for the Project is based on the PMBOK guidelines and encompasses the following steps:

1. Plan Cost Management
2. Estimate Costs
3. Determine Budget
4. Control Costs

### 4.1. Plan Cost Management

This plan establishes the policies, procedures, and documentation for planning, managing, expending, and controlling project costs. This plan was developed using PMBOK guidelines as well as OSI best practices for cost management.

### 4.2. Estimate Costs

This section focuses on the approach used to estimate the resources and associated costs needed to complete project activities and is comprised of the following subsections:

1. Project Estimation Techniques – This identifies the estimation techniques identified in PMBOK that the Project will use to estimate costs.
2. Human Resource Planning – This identifies the general process the Project will use to estimate the human resources needs throughout the project lifecycle.
3. Other Resource Planning – This identifies the general process the Project will use to estimate other resource costs.
4. Control Agency Documents – This identifies control agency documents the Project will use to request approval for activities and associated funding.

#### 4.2.1. Project Estimation Techniques

To estimate the cost of the CWS-NS solution, the Project will use the following cost inputs:

- Scope: The Project estimate will be based on other State projects of similar size and complexity.
- Schedule: The schedule will be used to estimate the time it takes to complete project activities and will drive the cost of the Project.
- Department of General Services (DGS) Leverage Procurement Agreements (LPA): The DGS LPAs will be used to estimate the prevailing wages for consultant services.

- Office of Technology (OTech) Service Catalog: The OTech Service Catalog will be used to calculate future data center services costs and service requests.

As previously mentioned, the project pivoted to an agile development methodology in November 2015. Due to this, it is difficult to estimate costs as there is not any baseline data available from other state projects for which to compare and extrapolate. However, the project will continue to estimate costs using expert judgment and analogous estimating techniques to estimate the cost of the CWS-NS solution. These techniques are identified in PMBOK as industry best practices. To further assist the State in refining the cost estimates of the CWS-NS solution and ensuring the Systems Integrator bids are in line with market trends, including labor hours, the Project will procure the services of a Cost Estimation consultant.

#### **4.2.2. Human Resource Planning**

Human resource needs will be estimated using historical human resource needs on other projects (including the CWS/Web Project), personnel resource information from the OSI Best Practices website and lessons learned on other State IT projects. The Project will estimate human resource costs for the following:

- State Staff
- County Staff
- Consultant Staff

#### **4.2.3. Other Resource Planning**

Similar to human resource needs, other resource needs for the Project will be estimated using expert judgment and analogous estimating techniques. This process involves using the inputs identified in section 3.2.1 to estimate the costs of the other resources. The Project will estimate costs for the following:

- Hardware/Software: This includes the solution software as well as any hardware required to operate and maintain the CWS-NS technical environment.
- Data Center Services: Since the project will be leveraging Amazon Web Services (AWS) to host the CWS-NS, costs will be estimated based on quotes received from the vendor.
- Agency Facilities: The Project will work with the OSI Business Services Office to calculate facility costs based on the DGS standard calculation.
- Contract Services: Using the DGS LPA, the Project will estimate consultant services labor costs based on the prevailing wage.
- Other Costs: This will include travel, operating expense and equipment (OE&E), overhead, minor hardware and software, as well as county-related expenses for full-time equivalent.

#### **4.2.4. Control Agency Documents**

Once human resource and other resources are estimated, the Project will be required to justify and report these needs in various control agency documents for review and approval. On the State side, this includes developing SPRs<sup>1</sup>. It is important to note that approval of any State approval document does not also approve any associated funding as CDT, who approves these documents, does not have the authority to authorize the associated funding. The associated funding for the activities approved in these document is included in a separate document, a BCP or SFL, and is reviewed and approved by DOF and ultimately included in the Budget Act through the Legislative process. On the federal side, the Project is required to submit an APD which is both a project and funding approval document.

### **4.3. Determine Budget**

This section describes the process of aggregating estimated costs from project control documents to develop the Project's budget via the State and federal budgeting process and is comprised of the following subsections:

1. Establishing Cost Baselines – This process establishes a baseline budget against which project performance can be monitored and controlled.
2. Funding Approval Documents – This identifies the State and federal funding documents required to make any baseline budget changes.
3. Project Funding Document Development – This identifies the statutes governing the California budgeting process and the Project's role in this process.
4. Budget Hearings – This identifies the budget process once change proposals are at the Legislative hearing level.
5. Budget Drills – This identifies how baseline budgets can be modified outside of the change proposal process.

#### **4.3.1. Establishing Cost Baselines**

California's budget process is referred to as "incremental budgeting". This approach essentially uses the current department level of funding as a base amount to be adjusted by change proposals. That being said, the project baseline budget will not vary from year to year without a change proposal. The State change proposal document is a BCP or SFL and the federal document is an APD. Once the Project baseline budget is established, it is allocated to benefiting programs per the latest approved Cost Allocation Plan submitted to the ACYF, Division of Cost Allocation.

---

<sup>1</sup> See SIMM 30 for SPR instructions.

### 4.3.2. Funding Approval Documents

Due to the Project being a State and federally funded project, the Project must develop separate State and federal change requests. State mandated documents are developed in accordance with DOF requirements outlined in the State Administrative Manual (SAM) 6000 and are submitted following the State budgeting process. Federal APDs are developed in compliance with 45 Code of Federal Regulations (CRF) 95 subpart F and are submitted to ACYF for approval.

Table 4-1 Funding Document Thresholds

DOCUMENT	FEDERAL/STATE	DEVELOPMENT THRESHOLD	SUBMITTAL TIMEFRAME
APD	Federal	Generally when funding is projected to expire within 60 calendar days	Varies
BCP/SFL	State	Any change to baseline budget	Annually in September (BCP) or January (SFL)
Premise	State	Changes to Local Assistance budget	Annually during the November Subvention Process and May Revise Process

**APD** – An APD is a document used to obtain federal approval and FFP for project activities. All APDs must conform to the regulations identified in 45 CRF 95 and any other requirements stipulated by ACYF. APDs are submitted to the ACYF for review and approval.

Note: There are several types of APDs that the Project will be required to submit to ACYF. The type of APD is contingent on several factors including project phase, urgency and timing. All required APDs are defined in 45 CRF 95.

**BCP/SFL** –The BCP or SFL is the traditional decision document which proposes a change to the existing budget level.

Note: The difference between a BCP and SFL is the timing of the document. The BCP is developed during the November Subvention process prior to release of the Governor's Budget, while the SFL is developed during the May Revise process.

**Premise** – A Premise document is the Local Assistance version of a BCP or SFL. It is used to make changes to a program, adjust normal, ongoing basic costs, or introduce a new component.

Note: Although OSI's CWS-NS' budget resides in the CDSS Local Assistance budget, this budget is converted to State Operations dollars upon reimbursement from CDSS, therefore any baseline changes to OSI's spending authority requires a BCP or SFL.

### **4.3.3. Project Funding Document Development**

Any change proposal should be developed in accordance with the Project's latest approval document. If the Project requires resources that were not previously approved, an SPR may be required (see SAM Section 4920 through 4945.2) and an As-Needed APDU may be required. It is critical for continued State and federal support that prior to initiating a project funding document, the associated activity has been vetted and approved with all applicable control agencies using the appropriate approval documents.

Both OSI and CDSS are responsible for developing any change proposals in coordination with their respective centralized budget offices. Once the change proposal is completed by the Project, the budget offices are responsible for coordinating final approval and submitting the document to DOF. Once at DOF, the budget office acts as the liaison between the Project and DOF for any questions or inquiries.

### **4.3.4. Budget Hearings**

Upon completion of any change proposal, the Project will be required to attend budget hearings with the State Legislature budget committees on specific proposals. Prior to this process, the Project should have worked with the DOF, LAO and CDT to adjust the change proposal based on their feedback. The support of the DOF, LAO and CDT during the budget hearing process is critical as they will also appear at the Legislative budget hearings and present their recommendations.

The Project may be required to develop supporting documentation to clarify certain aspects of the request or provide summary talking points for Project management during the budget hearings.

After completion of budget hearings, each subcommittee votes on the change proposal and submits a report to the full committee. The full budget committee may accept the change proposal or amend it. The revisions are incorporated into the budget bill and sent to the full membership of each house for consideration. Each house discussed and then votes on its version of the budget bill. If there are differences between the Assembly and Senate versions, these are worked out in the joint budget conference committee. If there is no delta between the Assembly and Senate versions, the change is incorporated into the Revised Governor's Budget and sent to the Governor (as part of the Budget Act) for signature and enactment.

Once the Budget is enacted, the Project must review the Budget Act to ensure there is no delta between the change proposal and what was included in the Budget Act. If there is a difference, the Project must adjust the budget to match the Budget Act. It is important to note that the approved budget may not be equivalent to the cost estimates

provided in the approval documents since the Administration and Legislature can modify the budget requested by the Project. This process occurs after approval of the SPR and these documents will not have to be updated unless the changes meet reporting requirements identified in the SAM.

### **4.3.5. Budget Drills**

Budget drills are initiated by the DOF and generally requires the Project to adjust their budget based on Budget Letters. These budget drills often result in the re-establishment of the Project's baseline budget. The OSI Budget Office will work with the DOF to determine the adjustment and then work with the Project to coordinate the submission.

## **4.4. Control Costs**

This section describes the process of managing project costs. This process will provide the means to recognize cost management variance from this plan and take corrective action when necessary to minimize risk and consists of the following subsections:

1. Expenditure Tracking and Reporting – This identifies the approach the Project uses to track and report costs.
2. Cost Variance – This identifies the approach of managing variances to the Project budget.
3. Project Acquisitions – This defines the approach of procuring goods and services to support project activities.
4. Consultant Costs – This defines the approach of managing consultant contract budgets to ensure they remain within budget.
5. County Costs – This defines the approach of managing county costs associated with county staff time and OCM.
6. Annual Cost Closeout – This defines the approach of reconciling annual project costs.
7. Project Cost Closeout – This defines the approach of reconciling project costs at project closure.
8. Budget Issue/Risk – All budget risks or issues will follow the project risk and issue management process.

### **4.4.1. Expenditure Tracking and Reporting**

The total project budget is broken into three separate budgets:

1. CDSS State Operations Budget – Personnel services costs and OE&E for CDSS staff.
2. OSI Spending Authority Budget – A portion of the CDSS Local Assistance budget in which OSI has authority to spend. This budget funds all OSI personnel, OE&E and consultant services costs.

3. CDSS Local Assistance Budget – Local Assistance costs for CWS-NS effort. This budget includes all CDSS consultant services and county costs for training and OCM activities.

The Project currently tracks expenditures using Microsoft Excel spreadsheets. CDSS is responsible for tracking and managing the CDSS State Operations and their Local Assistance costs, while OSI is responsible for tracking and managing the OSI spending authority costs. However, OSI has the responsibility for reporting all project costs, inclusive of OSI and CDSS, to control agencies in monthly reports.

Actual expenditures are provided monthly via FI\$Cal reports to both OSI and CDSS. Once these reports are received, the OSI and CDSS Fiscal Analysts will validate all expenditures in the report and record them into the expenditures report. In the event that there are any discrepancies between approved invoices and actual expenditures reported in FI\$Cal, they will work with their accounting offices to resolve and correct any problems.

Once all costs are received and validated, they are reported monthly to CDT via the Project Status Report (PSR). The PSR is due to the OSI Budget Office by the fifth of each month for transmittal to CDT. This report indicates the Project's current level of spending and provides cost overrun projections.

On an annual basis, as directed under Government Code Section 11546.2 and SAM Sections 4903.2, the Statewide Information Management Manual (SIMM) 55 requires actual and projected IT costs be reported to CDT. This process assists the Project and CDT in ensuring costs are being properly tracked and managed.

#### **4.4.2. Cost Variances**

The Fiscal Analyst is responsible for monitoring, documenting and projecting all potential variances to the baseline budget (which is the last approved funding document) on a monthly basis. If the Fiscal Analyst projects the Project is on track to exceed their authorized baseline budget, the Project Manager must be informed immediately. Since the Project must work within the constraints of their authorized baseline budget, a mitigation strategy should be developed and vetted through the Project governance bodies for adoption. As an example, this strategy may be to use funding from another line item or delaying a procurement to another fiscal year. If appropriate, this should be documented as a project risk and managed through the risk and issue management process. If the budget variance is structural in nature, meaning the Project overlooked or underestimated a critical activity or cost when developing the budget, the Project will need to develop control agency documents to request additional funding and approval for the activities.

### **4.4.3. Project Acquisitions**

After the Budget Act is signed and federal approvals are received, the Project may begin expending the funds for the fiscal year. The Project works with their respective acquisition offices to procure all hardware, software and services. T

Once the purchase order for goods or services has been issues to the vendor, the Fiscal Analyst encumbers the funding in the expenditures report. This process ensures that sufficient funding will be available for all project acquisitions.

### **4.4.4. Consultant Costs**

Consultants are required to submit monthly invoices for rendered services. The Functional Manager over the contract validates the invoices, including accepted deliverables and actual hours worked. For contracts that included a Task Accomplishment Plan (TAP), the invoice will be compared to the latest approved TAP for conformance. For contracts that are fixed priced, they are tracked according to the fixed price for the delivered items. Approved deliverables and their fixed price are verified on each invoice.

The Fiscal Analyst processes the invoices and coordinates their review. This process must be expeditious as the invoice must be approved by the Project within five days and sent back to the accounting offices for payment. This will ensure there is sufficient time to dispute an invoice if necessary. The Fiscal Analyst tracks the approved invoices and compares this to the annual encumbrance. Using previously approved invoices, the Fiscal Analyst can project whether a contract is expected to exceed the budget. The Fiscal Analyst reports this information to the Contract Manager who then works with the Functional Manager and consultant to update the TAP to ensure there are sufficient hours to complete scheduled tasks. Should a consultant exhaust their annual allotted hours or budget, the Project can either move hours or contract dollars from a future fiscal year to use in the current year if this is permitted in the contract language. It is important to note that if future contract dollars are moved to a different fiscal year, the existing project budget must be able to absorb those additional costs because unless there is an associated change proposal and As-Needed APDU, the baseline budget cannot be changed. Moving funding between fiscal years cannot result in an increase to the total contract cost unless there is an associated contract amendment. The Project must work with their respective accounting and acquisition offices when adjusting encumbrance dollars.

Once the Systems Integrator contract is awarded, this plan will be updated to document the process for tracking those costs.

### **4.4.5. County Costs**

A significant portion of total one-time project costs have been dedicated to county-related costs, including training, staff time and OCM. The Project will need to develop a process to allocate funding and reimburse counties for activities related to the

implementation of the CWS-NS solution. Once this process is established this plan will be updated.

#### **4.4.6. Annual Cost Closeout**

At the end of a fiscal year, the Fiscal Analyst will reconcile all costs expended against the baseline budget for the fiscal year. This process includes disencumbering contract balances when funding will not be needed and working the accounting offices to address any issues.

#### **4.4.7. Project Cost Closeout**

Upon completion of the Post Implementation Evaluation Report (PIER), the Project will be required to reconcile total project costs. This process will be further developed and this plan will be updated to reflect this process.

#### **4.4.8. Budget Risk/Issue**

Any potential risk or identified issue related to the cost management process will follow the Project's baselined Risk and Issue Management Plan.

Upon acceptance of a candidate risk, the Project may be required to report a change to State and federal control agencies if reporting thresholds are met. The Project should refer to reporting requirements identified in SAM section 4819.36 and 45 CFR 95 for State and federal requirements, respectively. Once the reporting document has been approved, the Project may need to develop a budget request to modifying the Project baseline budget accordingly.

## 5. MONITORING, CONTROL AND MEASURES

### 5.1. Success Criteria/Measures

The following table identifies the success criteria and measures that will be used to ensure achievement and measurement of the project objective.

**Table 5-1 Success Criteria/Measures**

PHASE	DESCRIPTION	SUCCESS CRITERIA	MEASURE	BOUNDARY
All	Project cost management approach defined.	Approval of this plan.	This plan has been approved and identified processes have been successfully executed.	None
	Project costs are estimated.	SPRs and APDs have been developed and approved in time for state and federal budget process.	SPR and APD have all been approved.	None
	Project budget is established.	BCPs or SFLs and APDs have been developed and approved in time for state and federal budget process.	Continued project funding is included in State and Federal budget.	None
	Project is executed within budget.	Project expenditures does not exceed estimated budget in approval documents	Project PIER indicates project remained within estimated budget.	None

## **5.2. Reporting**

Project costs are reported monthly in PSR and IV&V reports. The Project is required to develop annual APDUs and As-Needed APDUs (if reporting thresholds are met) to report on project status and costs.

## **5.3. Assumptions**

The following assumptions pertain to this plan:

- All cost estimations used in project documents are based on point-in-time information.
- The Project will submit SPRs and APDUs when additional costs or resources are required.
- The ACYF and DOF will approve funding in cooperation with project approval documents.

## **5.4. Constraints**

The effectiveness of this plan depends upon the following:

- The general fiscal health of the State and federal governments allow the availability of continued funding.